

Low Income Home Energy Assistance Program

INDIANA UTILITY VENDOR MEETING

Webinar Presented by IHCD
September 17, 2014

DEPARTMENT OF COMMUNITY PROGRAMS

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FUNDING IN REVIEW

Year	Block Grant Funding	Funding Received	Households Served	Avg Benefit Amt
2011	4.5 billion	107.5 million	168,576	\$378
2012	3.47 billion	79.9 million 1.1 million in state funds	134,166 2,307 from state funds	\$233 \$261.82
2013	3.29 billion	74 million	132,166	\$292
2014	3.42 billion	75.8 million	130,500	\$322

STATE ENERGY ASSISTANCE PROGRAM

- The program was given \$3.8M from the Attorney General's Office.
- Benefits are distributed to **homeowners only**, per legislation.

State EAP Program Stats

State EAP Heating Assistance	42,894 households served
Funds Obligated	\$2,571,000
Benefit Amount	\$60

State EAP Crisis Assistance	2,438 households served
Funds Obligated	\$376,989
Benefit Amount (average)	\$155

- Agencies were able to extend two (2) crisis benefits to homeowners- one during the winter and one after moratorium ended.

FY2015 BENEFIT AMOUNT

- Price per point will remain \$20
- Decrease the Electric Benefit to \$60
- New Regional Differentials
 - \$15-North – decrease of \$5.00
 - \$10-Central
 - \$5-South
- New max benefit amount will be \$395 (N), \$390 (C), \$385 (S)
- Anticipating another Propane Shortage
- Summer Cool is not guaranteed*

2015 EAP PROGRAM CALENDAR

MAIL APPLICATIONS

September 1

SCHEDULE APPOINTMENTS/NEW CONTRACT BEGINS

October 1

WINTER ASSISTANCE PROGRAM

November 3- May 15

SUMMER COOLING PROGRAM

June 8- August 14

STATE EAP FUNDS

October 1 – September 30

SCHEDULE OF EVENTS

Date

October 1, 2014

November 1, 2014

November 4, 2014

March 15, 2015

May 15, 2015

June 8, 2015

August 14, 2015

Event

Agencies will begin scheduling appointments.

Agencies will send transmittals for mail application

EAP Program officially begins (Winter begins)

Moratorium Ends

EAP Program officially ends

Summer Cool begins

Summer Cool ends

STATE ENERGY ASSISTANCE PROGRAM

- State EAP was funded at \$3.2M in 2014
 - State Admin- 1%
 - Weatherization- 15%
 - EAP-84%
- Benefits will be distributed to **homeowners only**, per legislation.
- Benefits will be distributed using the proposed allocation process:
 - Homeowners will receive a benefit amount
 - A percentage will be allocated to weatherization activities.
 - A fund will be set up and allocated to each agency to support leveraging types of activities.

MEMORANDA OF UNDERSTANDING

- Each utility must complete a new memorandum of understanding (MOU) before funds are distributed.
- The process for updating MOUs is completed by the state office.
- Utilities must include bank information, unless they have elected to receive a paper check.
 - Note: There is a waiver this year, that must be completed and returned to receive a paper check.
- Utilities must submit an MOU for every bank account requested for payment.
- Updating the MOUs may become an annual process, effective 10/1/14.

MEMORANDA OF UNDERSTANDING

The following items have been added to the new MOU:

- Client Confidentiality
- Eligibility Determination
- **Parent Organization Responsibility**
- Application of Taxes
- Unallowable Expenses
- **Refunds**
- **Overpayments**
- **Energy Consumption Release**
- Registration with the Indiana Secretary of State
- **Limiters and Metered Clients – Moratorium Protection**

MEMORANDA OF UNDERSTANDING

Parent Organization Responsibility

3. Vendor responsibilities for subsidiary company:

Vendor understands that if it is a parent organization it will be a fiscal agent for at least one (1) subsidiary company and will assume primary responsibility for the receipt and distribution of payments under this MOU for any subsidiary company identified

The Vendor will be required to identify all subsidiary companies under its umbrella structure that will be providing Services in Attachment B. The Vendor will be liable for the obligations of its subsidiaries under this MOU. **Therefore, the Vendor must approve financial transactions and request that payments associated with the Services provided under this MOU be distributed to a centralized location.**

MEMORANDA OF UNDERSTANDING

3. Vendor responsibilities for subsidiary company (cont'd):


If any company under the Vendor's fiscal umbrella is sold or discontinues using the Vendor as its fiscal agent, **then said subsidiary company and the Vendor must immediately notify IHCD**A of this change and said subsidiary company must execute its own MOU and become a primary vendor and fiscal agent for EAP funds, and the Vendor must update its subsidiary list and execute an updated MOU that reflects this change, each time this type of change occurs so that payments can be deposited into the proper bank account.

If the Vendor acquires a new subsidiary company, then the Vendor must update the subsidiary list and execute an amended MOU to include the new company, each time this type of change occurs so that payments can be deposited into the proper bank account.

MEMORANDA OF UNDERSTANDING

ATTACHMENT B

LIST OF VENDOR'S SUBSIDIARIES

 Subsidiary Legal Name	Subsidiary Address (number and street, city, state, zip)	Subsidiary Contact	Subsidiary Phone #	Is the Subsidiary's W9 the same as the Vendor's?	Is the Method of Payment for the Subsidiary the same method being used for the Vendor?

MEMORANDA OF UNDERSTANDING

Refunds

9. Refund:

A refund occurs when a benefit was paid, but the account closed and left a credit. If a monthly payment to Vendor exceeds the amount of money owed Vendor for a client for such month, Vendor shall apply the overpayment to the client's account for the following month(s), as a credit as long as the client has active service with the Vendor. If the client does not receive Services in the following month, Vendor is to make a reasonable effort to distribute the funds to the client. If Vendor is unable to locate client, Vendor shall issue IHCD A a check for the amount of overpayment, along with the name, last known address and account number of the client.

REFUNDS- CURRENT PROCESS

Why does a client have a refund?

- The client has moved and left a credit on the account.
- The credit can include a winter benefit as well as summer benefits.

Who distributes the refunds?

- The utility vendor will make a reasonable effort to send the payment to the client.
- If the utility is unable to reach the client, then the vendor should send the payment to IHCD.
- IHCD will hold for three years.

How does the client get the refund from IHCD?

- The client ,or estate if the client has passed, must complete and notarize the refund affidavit. Death certificate and proof they are entitled to funds.
- Refunds are processed within two weeks of receipt.
- Please note that IHCD will ask the client for a copy of a new utility bill before distributing the refund.

REFUNDS- NEW PROCESS

Why does a client have a refund?

- The client has moved and left a credit on the account or is deceased.
- The credit can include a winter benefit as well as summer benefits.

Who distributes the refunds?

- The utility vendor will make a reasonable effort to send the payment to the client.
- If the utility is unable to reach the client, then the vendor should send the payment to IHCD.
- IHCD will hold the funds for **90 days**. After 90 days, the funds are reinvested into the program.

How does the client get the refund from IHCD?

- The client ,or estate if the client has passed, must complete and notarize the refund affidavit.
- Refunds are processed within two weeks of receipt.
- Please note that IHCD will ask the client for a copy of a new utility bill before distributing the refund.

MEMORANDA OF UNDERSTANDING

Overpayments

10. Overpayment:

An overpayment occurs when the Local Service Provider or IHCDCA reviews a file and finds that the client of record has received more assistance than he or she is eligible to receive. Overpayments are not owed to the client, nor should they be added into the Local Service Provider's budget. The funds should be removed from the client's account and returned to IHCDCA. To collect these funds, the Local Service Provider must submit an overpayment remittance in RIAA (formerly negative transmittal) as notification for payment. The Vendor must send the payment, along with the remittance to IHCDCA.

BENEFITS AND TRANSMITTALS

- Regular benefits are calculated based on the matrix, plus a regional differential, and a credit of \$60 toward the electric bill
- Crisis benefits are given when the regular benefit is not enough to prevent the crisis event
- To calculate crisis, the agency takes the disconnect amount and subtracts the regular benefit amount; the crisis amount is based on the additional needs to prevent the crisis, up to \$200
- Utilities must begin regular and crisis benefits at the start of the program on November 1 for mail applications and November 3, not the start of moratorium

CORRECTING TRANSMITTALS

- Agencies are required to submit transmittals for payment after the utility sent the signature page
- Any corrections to transmittals should be documented on the transmittal with the signature page
- Agencies should not submit changes over the phone
- If a utility takes changes via email, the utility vendor should make changes to the signature page to document those changes

OVERPAYMENT RECOVERY PROCESS

- Contact the client because the client may need a payment arrangement
- Notify the vendor immediately (with the transmittal and remittance)
- Vendor will sign and send transmittal to CAA
- Vendor will send remittance and check to IHCD
- IHCD will closeout the overpayment unless the vendor rejects
- If vendor rejects, IHCD will send an invoice to the agency
- After 60 days, agencies are no longer allowed to process a remittance if it is due to their error.

DECLINING OVERPAYMENT REQUESTS

If the utility vendors decline the overpayment request because services and/or discounts have been rendered to clients, the agencies will be required to remit the funds back to IHCDA from its private, corporate funds. IHCDA will send a remittance for payment to the CAA.

MEMORANDA OF UNDERSTANDING

Energy Consumption Release

11. Energy Consumption Release:

The Vendor agrees to make available energy consumption data for clients who are EAP approved for a period of twelve (12) months prior to the EAP application. To “make available” means to provide a data report through a data transfer or a secure web portal.

This information will be collected from Indiana’s TOP 5 Regulated Vendors, and TOP 10 Unregulated Vendors

ENERGY CONSUMPTION DATA COLLECTION

Energy Consumption Release

What we know?

1. Not all vendors will have a process to collect energy cost and consumption monthly.
2. Not all vendors retain their monthly energy cost and consumption data.
3. IHCDCA will allow vendors time to adopt a process and to work through internal systems.
4. IHCDCA will obtain the following information from its sub-grantees:
 - Primary Heating/Cooling Source
 - Secondary Heating/Cooling Source
 - Gross Income
 - Annual Total LIHEAP Benefit (Bill Payment Assistance)
 - Equipment Repair or Replacement (Still Operable)
 - Equipment Repair or Replacement (Non-Operational)
 - Account Status (Disconnected, Shut-off Notice, Past Due, Almost Out of Fuel, Out of Fuel)

ENERGY CONSUMPTION DATA COLLECTION

5. IHCDa will need information for **both Gas and Electric** Cost and Consumption.

6. Deadline for information will be at the end of program 9/30/15

7. Vendors will make available the following information:

- Annual Primary Heating Fuel Expenditures*
- Annual Electricity Expenditures*
- Annual Heating Fuel Consumption*
- Annual Electricity Consumption*

ENERGY CONSUMPTION DATA COLLECTION

STEP 1 – List of Customer Accounts

We will compile and send you a list of households that have received benefits through the Low Income Home Energy Assistance Program (LIHEAP). These program participants have indicated that your company furnishes [**Electric and/or Natural Gas Services**] to their household and have signed an Authorization Form that allows you to release data to us.

ENERGY CONSUMPTION DATA COLLECTION

STEP 2 – Prepare a Data File with Customer Charge and Usage Information

Please furnish an electronic data file with monthly electric and/or natural gas billing and usage information for customers with matching records for the period from October 2014 through September 2015. The extract should furnish one record for each month for each customer. Alternatively, the extract can furnish one annual charge for each customer (if available). Data should be included for households who lived at the same service address during the entire reporting period (10/1/14 through 9/30/15).

STEP 3 – Return Data File via CD or FTP

The data can be delivered in a password protected file via email, on a password protected CD, or via a secure FTP site.

- Data Upload or Export from Vendor site
- Excel Spreadsheets
- CD Rom with password protection

ENERGY CONSUMPTION DATA COLLECTION

[illegible]

From IHCDA to Vendor

ENERGY CONSUMPTION DATA COLLECTION

From IHCDa to Vendor

Example Grantee Data Request (Sent to Electric Vendor)											
Utility Name	Electric Account Number	Gas Account Number	Account Last Name	Account First Name	Service Address Line 1	Service Address Line 2	City	State	Zip Code	Gas Data? (Y/N)	Electric Data? (Y/N)
Umatilla Electric Coop Assn	1		Smith	Amy	1 Main St.		PENDLETON	OR	97801	No	Yes
Umatilla Electric Coop Assn	2		Smith	Bob	2 Main St.		BOARDMAN	OR	97818	No	Yes
Umatilla Electric Coop Assn	3		Smith	Carrie	3 Main St.		BOARDMAN	OR	97818	No	Yes
Umatilla Electric Coop Assn	4		Smith	David	4 Main St.		BOARDMAN	OR	97818	No	Yes
Umatilla Electric Coop Assn	5		Smith	Erik	5 Main St.		HERMISTON	OR	97838	No	Yes

ENERGY CONSUMPTION DATA COLLECTION

A	B	C	D	E	F	G	H	I	J	K	L	M	N
EXAMPLE LIHEAP ENERGY COST AND CONSUMPTION DATA FROM VENDOR													
Account Number	Account Name	Service Address Line 1	Service Address Line 2	City	State	Zip Code	Meter Read Date MM/DD/YY	Days in Billing Cycle	Meter Read Code A/E/P/C/F	Electric Usage (kWh)	Electric Charge \$\$\$cc	Gas Units (C/M/T/D/O)	Gas Charge \$\$\$cc
												Gas Usage	
1	A. Smith	1 Main St.		PENDLETON	OR	97801	4/13/2013	31	A	410	\$ 36.95		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	3/13/2013	28	A	515	\$ 42.96		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	2/13/2013	31	A	832	\$ 61.09		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	1/13/2013	31	A	820	\$ 60.40		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	12/13/2012	30	A	636	\$ 49.88		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	11/13/2012	31	A	553	\$ 45.13		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	10/13/2012	30	A	634	\$ 49.76		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	9/13/2012	31	A	905	\$ 65.36		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	8/13/2012	31	A	1018	\$ 74.05		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	7/13/2012	30	A	754	\$ 56.63		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	6/13/2012	30	A	593	\$ 47.42		
1	A. Smith	1 Main St.		PENDLETON	OR	97801	5/14/2012	31	A	545	\$ 44.67		

From Vendor to IHCD

QUESTIONS

MEMORANDA OF UNDERSTANDING

Limiters and Metered Clients – Moratorium Protection

15. Use of Limiters and/or Meters by Vendor:

Pursuant to IC 8-1-2-121, between December 1 and March 15 of any year, EAP clients are protected from disconnection or termination of their residential gas or electric service by a municipally owned, privately owned, or cooperatively owned utility, as stated in Clause 14. Vendors who are classified as municipally owned, privately owned, or cooperatively owned are considered “regulated utilities” under the Low Income Home Energy Assistance Program for Indiana.

The language contained in the Indiana Code does not limit moratorium protection based on the method that the regulated utility uses to provide electric or gas service. Therefore, vendors who render service using limiters, meters and prepaid services must provide moratorium protection to EAP clients as prescribed in IC 8-1-2-121 and the annual EAP memoranda of understanding.

QUESTIONS

MORATORIUM PROTECTION

Legal Authority: Indiana Code 8-1-2-121 (became effective in 1983)

Purpose: Prevents the termination of residential utility service to any customer who is eligible for and has applied for the Energy Assistance Program

Protection Period: December 1 to March 15

Client's Qualifications for Protection:

- The customer has submitted a complete application and eligibility is being determined by the local CAA or their subcontractor on or after October 1.
- The customer has furnished proof to the utility provider of his/her application to receive such benefits, or IHCD, the local CAA or the CAA's subcontractor has notified the utility in writing.
- The customer must have active service on December 1

AM I COVERED UTILITY?

If you are a electric or gas utility, including a municipally owned, privately owned, or cooperatively owned utility, then you qualify as a “utility” for the purposes of the moratorium law. The definition of “municipally owned utility” means every utility owned or operated by any city or town in Indiana.

WHO IS A CUSTOMER?

Any person who has agreed to pay for electric or gas services exclusively for residential purposes is a customer. Receipt of an EAP benefit does not affect someone’s status as a customer.

DISCONNECTION PRIOR TO DECEMBER 1

- If a utility has negotiated a payment arrangement with a client who has qualified for EAP and that client violates that payment arrangement before Dec. 1, the utility has the right to disconnect that client prior to December 1, as that client is not yet protected by the moratorium.
- If the same client has active service as of December 1, the utility may not disconnect that client until March 16.

OTHER CIRCUMSTANCES FOR DISCONNECTION

- If a condition dangerous or hazardous to life, physical safety, or property exists.
- Upon order by any court, the IURC, or other duly authorized public authority.
- If fraudulent or unauthorized use of electricity or gas is detected, and the utility has reasonable grounds to believe the affected customer is responsible for such use.
- If the utility's regulating or measuring equipment has been tampered with and the utility has reasonable grounds to believe that the affected customer is responsible for such tampering.

BENEFIT REFUSAL

- A utility vendor may refuse an EAP benefit at any time during the heating season.
- Benefit refusal **does not** prevent moratorium protection.
- A client who has submitted a complete application and is being deemed or has been deemed EAP eligible and has active service on December 1 will receive moratorium protection through March 15.

PROTECTION WITHOUT BENEFITS

- Once the household has submitted an application and has been deemed or is being deemed eligible for the EAP benefit, the client is protected under the moratorium, whether a benefit has been received or not.
- Clients deemed eligible for EAP, but do not have a benefit due to insufficient program funds, will be placed in a HOLD status.
- All clients deemed eligible, but in this HOLD status, will be placed on a report. That report will be submitted to the utility vendors to ensure moratorium protection.

MORATORIUM TRANSMITTALS

- The Moratorium transmittals look like regular transmittals.
- They will include all of the information listed on regular transmittals.
- The transmittals will list a \$0 benefit for each customer.
- When funds are available, the agencies will run regular transmittals with the correct benefit amount.

ELIGIBILITY MATTERS

LANDLORD/TENANT AGREEMENTS

- Utilities are required to be in the name of a household member, age 18 or over, unless the lease agreement requires the utilities to be listed in the landlord's name.
- If the utility is listed in the landlord's name, but the client has breached payment agreement with the landlord, the landlord may request service disconnection during the moratorium period. Though the client was deemed eligible for EAP assistance, the landlord is the customer of record on the utility bill.
- If the utility is listed in the client's name, but the landlord has breached the payment agreement, then the client is protected under the moratorium because the client is the customer of record on the utility bill.

UNDERPAYMENTS

- The agency or the state has completed a monitoring visit or quality review.
- The client is due additional funds.
- An additional transmittal is submitted to the vendor for the additional funds.

ANNOUNCEMENTS

We would like to invite you to...

2014 Coalition to Keep Indiana Warm Conference

Where: Fort Harrison State Park

When: October 16, 2014

What: The meeting will include the following:

- Summary of LIHEAP and Weatherization Programs
- Presentations from Local Utility Vendors
- Discussion about the Indiana Propane Gas Crisis
- Presentations from Community Based organizations
- Dialogue about local and national energy policy
- Opportunities to dialogue with utilities vendors and program stakeholders about low income energy needs

To register for this year's meeting, you can go to www.incap.org and click on the Coalition to Keep Indiana Warm logo.

QUESTIONS??

**For additional questions
about Energy Assistance,
please contact Lynell Westbrook at
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(317) 234-5303.**